



**Sean Rogan**  
Executive Director

**HOUSING AUTHORITY  
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**Gloria Molina**  
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**Michael D. Antonovich**  
Commissioners

March 20, 2012

The Honorable Board of Commissioners  
Housing Authority of the  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Commissioners:

# ADOPTED

BOARD OF COMMISSIONERS  
HOUSING AUTHORITY

1-H      March 20, 2012

SACHI A. HAMAI  
EXECUTIVE OFFICER

**APPROVE INCREASE TO CONTRACT AMOUNT FOR THE CONSTRUCTION CONTRACT WITH  
WESTERN STATES ROOFING FOR ROOF REPLACEMENT AT THE VILLA NUEVA RENTAL  
HOUSING CONSTRUCTION PROGRAM DEVELOPMENT  
(DISTRICT 1) (3 VOTE)**

**SUBJECT**

This letter recommends approval of an increase of \$8,949 to the existing Construction Contract with Western States Roofing and Construction for roof replacement at the Villa Nueva Rental Housing Construction Program (RHCP) development. The original Contract was approved by your Board on July 12, 2011, in the amount of \$107,956 plus a 10% contingency of \$10,795, for a total of \$118,751. Due to additional unforeseen costs, we are requesting an increase of \$8,949, bringing the proposed total Contract amount to \$127,700.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve and authorize the Executive Director to amend the existing Contract with Western States Roofing and Construction, to increase the Contract amount by \$8,949, for a total amount of \$127,700, to cover additional costs and complete the roof replacement at Villa Nueva RHCP.
2. Authorize the Executive Director to use \$8,949 in Central Office Cost Center (COCC) funds as a forgivable loan to the State RHCP Villa Nueva Project, and to incorporate these funds into the Housing Authority's approved Fiscal Year 2011-2012 budget.
3. Find that amending this Contract is not subject to the provisions of the California Environmental Quality Act (CEQA), because the action does not have the potential for causing a significant effect on the environment.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

On July 12, 2011, your Board approved a Contract between the Housing Authority and Western States Roofing and Construction in the amount of \$107,956 to replace the roof at the Villa Nueva RHCP housing development in unincorporated East Los Angeles. At that time the Board also approved a 10% contingency of \$10,795 for unforeseen project costs.

When the contractor obtained the building permit, the Department of Public Works' Division of Building and Safety required the installation of a radiant barrier to meet the California Energy Commission's updated Title 24 Building Energy Efficiency Standards for residential roofing. This additional requirement increased the cost of the project by \$7,208.

During the removal of the existing clay tiles, an unusually large number of tiles were found to be damaged and could not be reused. Based on similar projects, the Contract price contained a 25% replacement allowance in anticipation of such damage. In this case, however, over 40% of the tiles needed replacement, which increased the construction cost by \$2,300.

It was also discovered during construction that an unusually high amount of fascia board had suffered water damage and needed replacement. The amount of new fascia board required exceeded the allowance in the Contract, increasing the construction cost by \$10,236.

The total additional cost of \$19,744 for the work outlined above exceeds the available contingency for such costs by \$8,949. For this reason, an amendment is necessary to provide additional funds and increase the Contract amount by \$8,949.

### **FISCAL IMPACT/FINANCING**

There is no impact on the County general fund. The Housing Authority will fund the improvements with \$8,949 in COCC revenues to be incorporated into the Housing Authority's approved Fiscal Year 2011-2012 budget. A loan of COCC funds is recommended to cover the Contract increase, pending reimbursement from the State RHCP for the expenditure.

COCC funds have been earned annually since the conversion to site based budgeting in Fiscal Year 2006-2007, at the direction of the U.S. Department of Housing and Urban Development (HUD). The COCC funds are attained by charging management fees and other HUD-authorized administrative fees to the Public Housing and Section 8 programs.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The majority of the improvements are being funded by the State of California, and the project is therefore subject to the requirements of the Greater Avenues for Independence (GAIN) Program and the General Relief Opportunity for Work (GROW) Program implemented by the County of Los Angeles. Should Western States Roofing and Construction require additional or replacement personnel after the effective date of this Contract, it will give consideration for any such employment openings to participants in the County's Department of GAIN and GROW Programs who meet the firm's minimum qualifications for the open position. The firms will contact the County's GAIN/GROW Division for a list of participants by job category.

On February 22, 2012, the Housing Commission recommended approval of the proposed increase to the Contract amount.

**ENVIRONMENTAL DOCUMENTATION**

This action is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3), because it involves administrative activities that will not have a physical impact on or result in any physical changes to the environment.

The action is not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378, because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment. Your Board's finding on July 12, 2011 that the roof replacement at the Villa Nueva RHCP is exempt from the provisions of CEQA satisfies the requirements of CEQA.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The proposed increase to the Contract amount will allow Western States Roofing to complete the modernization of the Villa Nueva housing development and provide residents with new roofs. These improvements will serve to conserve energy, increase cost savings to the Housing Authority and maintain the physical condition of the property for the residents.

Respectfully submitted,



SEAN ROGAN

Executive Director

SR:gs